

EXECUTIVE SUMMARY

Prepared March 14, 2001

Mine Name: Cactus Mill
Operator: Clifton Mining Company.
70 West Canyon Crest Road, Suite D
Alpine, Utah 84044
Telephone: (801) 756-1414
Contact Person: Keith Moeller

I.D. No: M/045/049
County: Tooele
New/Existing: Existing SMO expanding to
LMO status
Mineral Ownership: n/a
Lease No.(s): U-73999
Surface Ownership: Private and BLM
Permit Term: Life of Mill

Life of Mill: 7-8 years

Legal Description: SE1/4, SE1/4 of Section 35, Township 7 South, Range 18 West, Tooele County, Utah

Mineral(s) to be Mined: Precious metals processed at this millsite.

Mining Methods: N/A - Millsite

Acres to be Disturbed: 8.9 acres

Present Land Use: Mining/Milling activities

Postmining Land Use: Grazing and wildlife

Variances from Reclamation Standards (Rule R647) Granted: None needed

Soils and Geology:

Soil Description: Loam or sandy loam

pH: 7.9

Special Handling Problems: The soil (plant growth medium) will have to be amended at final reclamation with 10 tons/acre composted manure and 100 lbs/acre of Diammonium Phosphate fertilizer.

Geology Description: N/A - No mining is occurring on site so only the surface will be affected by milling operations.

Hydrology:

Ground Water Description: There are several springs and underground water sources in the area that will not be affected by the milling operation. Water used in processing will come from valid water rights in the area namely Cane Springs. Recycling of process waters and natural evaporation from lined sediment ponds will prevent discharge from the site.

Surface Water Description: A small ephemeral drainage exists adjacent to the site, but is protected from

contamination by the existence of non discharging ponds and proper erosion control measures.

Water Monitoring Plan: No water monitoring is presently required at this site given its non-discharging status.

Ecology:

Vegetation Type(s); Dominant Species: The site has been previously disturbed. The surrounding undisturbed vegetation is a decadent Sagebrush community. Besides sagebrush, little else is growing.

Percent Surrounding Vegetative Cover: 22.5 percent

Wildlife Concerns: none

Surface Facilities: 50 ft. x 100 ft. steel mill building, an historic wood framed mill building, and office/lab trailer.

Mining and Reclamation Plan Summary:

During Operations:

The fenced milling operation will process up to 200 tons/day of mined ore. The ore will be mined locally, crushed, then ground and put through a gravity separation process to produce a concentrate. The remaining precious metals will be extracted using a flotation process with standard flotation reagents. All waste tailings will be stored onsite in a series of lined impoundments. The concentrates will be transported to an off site processing facility for further refinement.

After Operations:

After the milling and concentrating of ores is complete, all surface structures and processing facilities will be dismantled and removed from the site. The historic wood framed mill building will remain because of its historical significant to the mining district. Disturbed areas will be regraded and reclaimed to blend into the surrounding topography. The disturbed area will be topsoiled and reseeded to benefit wildlife and grazing postmining land uses.

Surety:

Amount: \$38,800

Form: Unknown at this time

Renewable Term: 2005

RECLAMATION SURETY ESTIMATE

Clifton Mining Company

last revision

02/07/01

Cactus Mill

filename M045-049.WB2

M/045/049

Tooele County

Prepared by Utah State Division of Oil, Gas & Mining

-This estimate uses a D8 size dozer for most earthwork

last unit cost update 2-Aug-2000

-Amount of disturbed area which will receive reclamation treatments = 8.9 acres

-Estimated total disturbed area for this mine = 8.9 acres

Activity	Quantity	Units	\$/unit	\$	Note
Safety gates, signs, etc. (mtls & installation)	1	sum	200	200	(1)
Demolition of buildings & facilities	15000	CF	0.24	3,600	(2)
Debris & equipment removal - trucking	22	trips	50	1,100	(3)
Debris & equipment removal - dump fees	0	ton	55	0	(4)
Debris & equipment removal - loading trucks w/FE loads	24	hours	166	3,984	(5)
Demolition & debris removal - general labor	112	hours	15	1,680	(6)
Regrading facilities areas (1 ft depth)	1.0	acre	502	502	(7)
Demolish buildings with backhoe	24	hours	150	3,600	
Ripping entire millsite prior to seeding	7.1	acre	234	1,661	(9)
Ripping access roads - dozer	1.8	acre	234	421	(9)
Sidecast mtl replacement on steep roads- trackhoe	900	LF	1.09	981	(11)
Regrade tailings pond	2.47	acre	411	1,015	(10)
Topsoil replacement - dozer	450	CY	0.50	225	(12)
Composted manure (10 ton/acre)	8.9	acre	300	2,670	(00)
Broadcast seeding	8.9	acre	170	1,513	(00)
Hydroseeding		acre	800	0	(00)
Fertilizer (diammonium phosphate-100 lbs/acre)	8.9	acre	90	801	
General site cleanup & trash removal	6.4	acre	50	320	(00)
Equipment mobilization	4	equip	1000	4,000	(00)
Reclamation Supervision	5	days	386	1,930	(15)
	Subtotal			30,204	
10% Contingency				3,020	
	Subtotal			\$33,224	
Escalate for 1 st year at 3.13% per yr - 2001	1,040			\$34,264	
Escalate for 2 nd year at 3.13% per yr -2002	2,112			\$35,337	
Escalate for 3 rd year at 3.13% per yr - 2003	3,218			\$36,443	
Escalate for 4 th year at 3.13% per yr - 2004	4,359			\$37,583	
Escalate for 5 years at 3.13% per yr - 2005	5,535			\$38,760	
	Total			\$38,760	
	Rounded surety amount in yr 2005-\$			\$38,800	
Average cost per disturbed acre =				\$4,360	